



APPENDIX.

Plaintiff's Exhibit 1.

"This agreement made and entered into this 1st day of June, 1942, by and between John E. Savage, party of the first part and Sara R. Lorraine and David G. Lorraine, parties of the second part;

Witnesseth:

That, John E. Savage, party of the first part, hereby agrees to accept the options now held by D. G. Lorraine for the purpose of entering into negotiations for purchasing, selling, and reorganizing the Lorraine Corporation, a corporation, organized and existing under and by virtue of the laws of the State of Nevada, and contingent upon the consummation of such negotiations by John E. Savage.

Sara R. Lorraine and David G. Lorraine, parties of the second part, hereby agree to pay and deliver 50,000 shares of stock in the Lorraine Corporation, free and clear of any and all encumbrances to John E. Savage. It being understood by the parties hereto that John E. Savage shall be reimbursed for any and all moneys advanced by him, together with interest thereon, in the negotiations hereinbefore set forth.

It is further understood and agreed by the parties hereto that David G. Lorraine will continue to remain in the employ of the Lorraine Corporation and that he will cooperate in every manner putting forth his best efforts in the management and production operations of the corporation for its success, and therefore, it is agreed that the \$50,000 shares of stock in the Lorraine Corporation

transferred as hereinbefore mentioned shall constitute payment in full of any and all claims including a note in the amount of \$17,850.00 dated March 10th, 1942.

Signed this 1st day of June, 1942.

JOHN E. SAVAGE

Party of the first part

SARA R. LORRAINE

DAVID G. LORRAINE

Parties of the second part"

Defendants' Exhibit F.

Los Angeles, California
June 24, 1942.

Mr. Henry G. Bodkin
453 S. Spring Street
Los Angeles, California

Dear Sir:

"On April 23, 1942, in a letter written by you to Mr. Lawrence Cobb, the terms of which were accepted by the undersigned, after setting forth certain conditions, it is stated as follows:

'In the event you carry out the aforesaid provisions, and in good faith cooperate in making the business a success after such foreclosure, we will cause to be transferred to you the difference between the 650,000, or thereabouts, shares of stock pledged as security and the total amount of stock awarded to Mrs. Rose Lorraine, in the case of Lorraine vs. Lorraine, which stock shall be the absolute property of yourselves, in such proportion as may be agreed upon between you, or may have been agreed

upon heretofore, but that the purchaser of said stock at the foreclosure sale shall have the full right to vote the same forever, or for such length of time as the law will permit.'

'If the foregoing is agreeable to you, then please sign the consent thereto, on a copy of this letter, enclosed herewith, which consent is to be signed by Mr. and Mrs. David G. Lorraine and yourself.'

"The undersigned hereby admit that they have not performed the terms and conditions set forth in said letter as a condition precedent to have transferred to them the difference between the total amount of stock pledged as security for the notes of Lawrence Cobb, and the amount of stock awarded to Mrs. Rose Lorraine, in the action of Lorraine vs. Lorraine, and hereby admit they are not entitled to have such stock transferred to them.

"The undersigned hereby assert that they will at no time contend or maintain that they are entitled to any part of said 200,000 shares, or thereabouts, with the exception that Lawrence Cobb asserts his title to 50,000 shares of his stock, which was a part of the stock deposited as additional security for said notes.

"The undersigned understand that Mr. John E. Savage has purchased at foreclosure sale the aforesaid stock and the undersigned will not at any time assert any claim or title to said 600,472.65 shares of stock.

Very truly yours,

DAVID G. LORRAINE
SARA R. LORRAINE
LAWRENCE COBB"